



Quarterly Activities Report

Quarter Ended 30 June 2021

Highlights

- **Commenced the largest exploration program ever undertaken at the Cape Ray Gold Project, including planned:**
 - 45,000 metres of diamond drilling;
 - Five power auger rigs to drill over 100,000 metres; and
 - Heli-mag program covering 80 kilometres of strike.
- **Increased landholding across Newfoundland to 750km² following a strategic review of prospective ground around the Cape Ray Gold Project and other prospective gold regions in Newfoundland**
- **Completed Phase One of the high-resolution Heli-mag geophysics program, covering 40 kilometres of strike along the central part of the Company's landholding**
- **Successfully raised \$16 million at \$0.56 per share, a 28% premium to the closing share price**
 - Introduced two global institutional investors, Franklin Templeton and CI Financial, both of which became substantial shareholders (+5% shareholder)
- **Listed on USA OTC Markets (OTCQX: MZZMF) and the Frankfurt Stock Exchange (FSE: MA3) to increase investor awareness and diversify the Company's shareholder base**
- **Strong cash position of \$22 million as at 30 June 2021**
 - Fully funded through the 2021 and 2022 exploration seasons

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) ("Matador" or the "Company") is pleased to provide its Quarterly Activities Report for the Quarter ended 30 June 2021. All dollar amounts are A\$ unless stated otherwise.

Matador is exploring and developing its 100% owned Cape Ray Gold Project ("Cape Ray Gold Project" or the "Project") in Newfoundland, Canada, a Project located across 120 kilometres of continuous strike in a proven, yet under-explored multi-million ounce gold structure.

Exploration Commences at Cape Ray Gold Project

Following the successful exploration program of 2020, the Company commenced the largest exploration program in the Project's history. The dual objectives of the program are to both expand the Mineral Resources at known deposits, the initial focus of diamond drilling, as well as test and define new greenfield exploration targets across the Company's large, yet largely untested, landholding at the Cape Ray Gold Project.

The exploration program is continuing through the North American summer and winter seasons, with key planned activities including:

- 45,000 metres of diamond drilling;
- Five power auger rigs to drill over 100,000 metres for bedrock geochemical and lithological sampling; and
- Detailed Heli-mag survey covering 80 kilometres of strike.

“Near-Mine” Target Areas

The near-mine exploration program is designed to expand the existing Mineral Resources (840koz Au at 2.0g/t) within the Project area, as defined in the Cape Ray Project Scoping Study¹. Focusing on this area has the potential to deliver additional Mineral Resources for inclusion in a future Pre-feasibility Study.

The 2021 drill program will initially focus on extensional targets identified through interpretation of 2020 exploration results, specifically extensions at depth and laterally around Window Glass Hill (“**WGH**”) and further definition and step-out drilling at the Angus discovery. Additional extensional drilling is also planned for Isle aux Morts (“**IAM**”) during the second half of 2021 following the identification of untested high-grade down-plunge potential in 2020.



Figure 1: Hand-held power-auger drilling sampling outcrop

With initial diamond drilling under way, the first phase of the innovative ATV-mounted power-auger and backpack geochemistry drilling (Figure 1) will ramp-up, targeting areas identified from last year’s ground magnetics and historic soil samples (Figure 2), all within the vicinity of WGH, Angus and Big Pond.

¹ ASX Announcement 6 May 2020

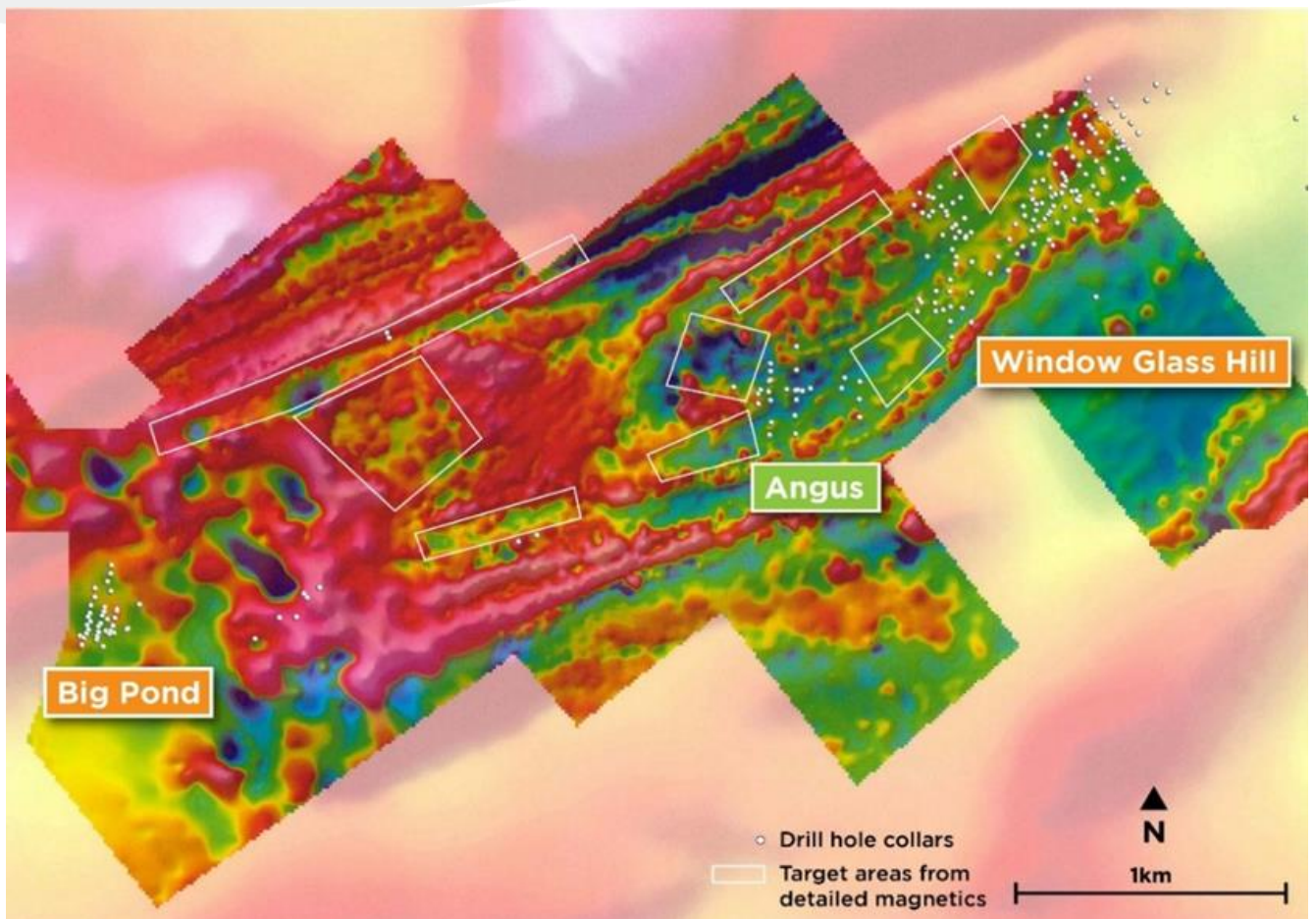


Figure 2: Detailed 40 metre line spaced ground magnetics data acquired in 2020 for the area between Big Pond and Window Glass Hill. White polygons define untested greenfield and extensional target areas identified by interpreting the detailed magnetics in conjunction with existing surface geochemistry pathfinders.

There has been no systematic exploration of the Window Glass Hill Granite ("WGHG") away from the known deposits, and no previous exploration of the potential shear-zone hosted gold targets buried under thin till cover surrounding the margins of the WGHG.

All auger core samples collected will be assayed using detailed multi-element geochemistry. Twelve key pathfinder elements are being used to map basement mineralisation footprints which have been demonstrated to extend up to 100 metres from mineralised gold deposits across the Project.²

Greenfield Target Areas – Heli-Magnetic Survey

Following the success of the detailed ground magnetics survey conducted over the WGHG and Big Pond areas in 2020, the Company commenced a high-resolution heli-magnetic and Digital Matrix VLF-EM (very low frequency electromagnetic) survey across the central portion of the Project.

² ASX Announcement 14 April 2021

Phase One of the program has been completed, with 16,500 line-kilometres of data acquired at 30 metre flight line spacing and 25 metre flight height. The survey covers the area between the Big Pond deposit in the south-west to the Benton Five prospect in the north-east. Preliminary results of this survey are shown in Figure 3 below³, with a marked improvement in the quality of images and enhancement of structural features immediately evident.

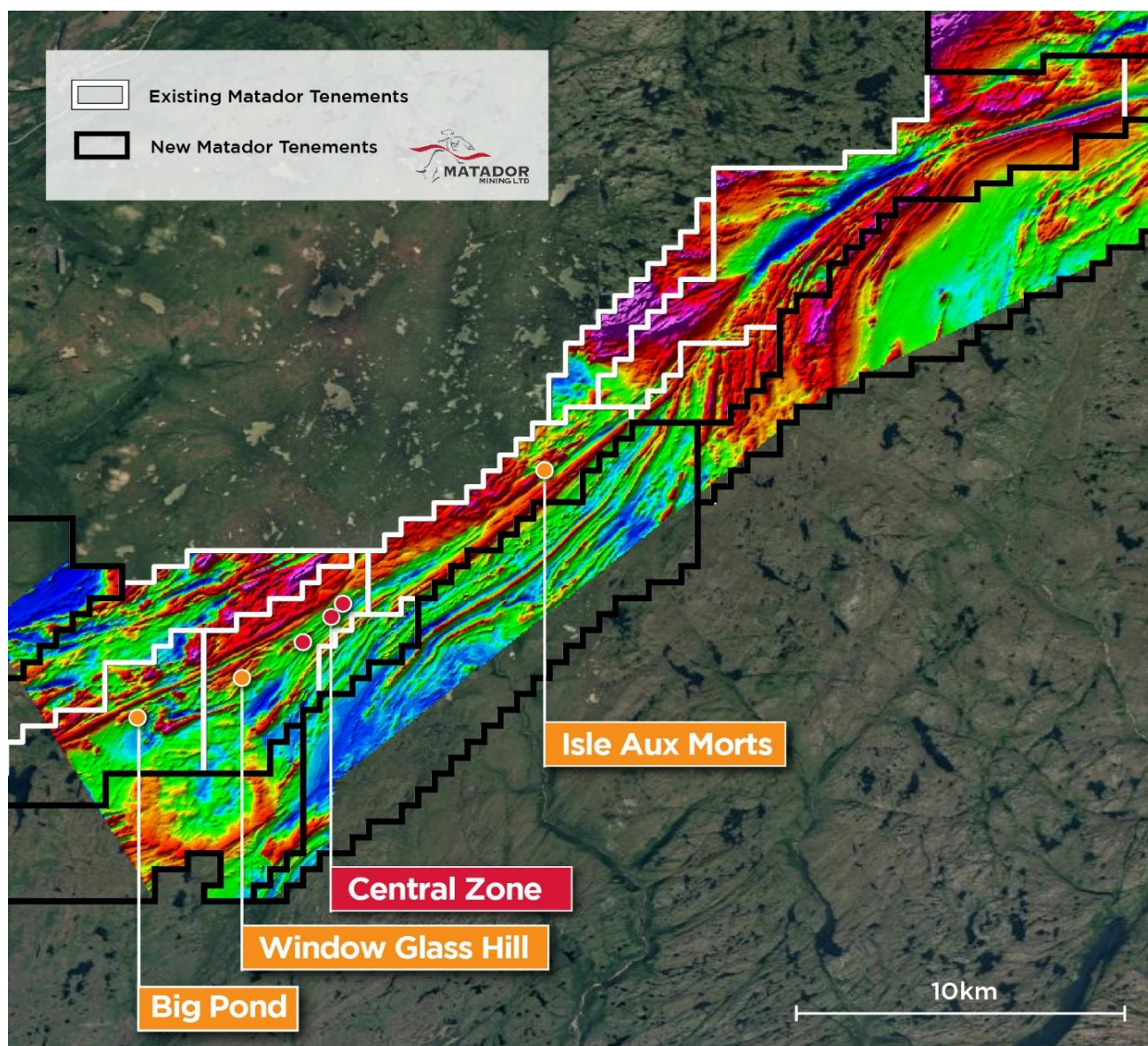


Figure 3: High resolution (30m line spaced) total magnetic intensity (TMI) image

Phase Two of the heli-mag program is planned to extend the geophysical survey area a further 35km north-east to cover the remaining high priority exploration targets either later in 2021 or in 2022 depending on weather conditions (see Figure 4).

³ ASX announcement 17 June 2021

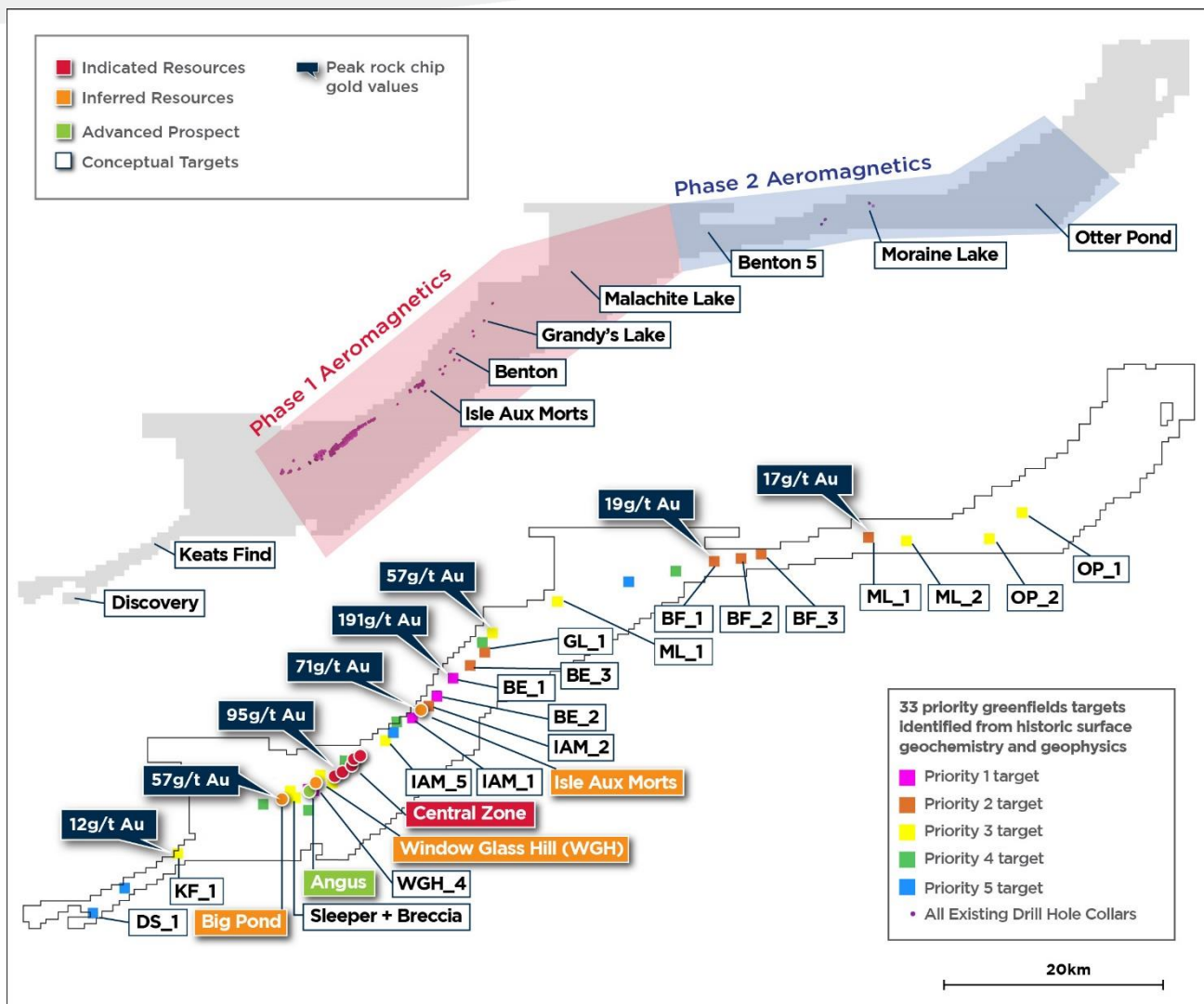


Figure 4: Phase One and proposed Phase Two areas for detailed (30 metre line-spaced) aeromagnetic surveys at Cape Ray, juxtaposed with Matador's 33 prioritized exploration target areas and existing Mineral Resources⁴

Greenfield Target Areas – Power-Auger Drilling

A greenfield auger geochemistry drilling program has also been planned to generate additional longer-term drill targets. This second stage of the power-auger and backpack geochemistry drilling will extend further to the north-east, testing target areas beyond IAM. Targets defined within these areas will be tested with diamond drilling currently scheduled for the second half of 2021.

The strategy behind the greenfield power-auger program is to systematically test target areas identified from historic data to enhance the Company's project pipeline with high quality drill ready targets. This will allow diamond drilling to be planned well in advance, improving efficiency and effectiveness of our drilling activities.

⁴ ASX announcement 29 October 2020

As part of this strategy the Company will be updating the exploration pyramid (Figure 5) when the data from each of the heli-mag, geochemical and diamond drilling programs become available. This may see new target areas (conceptual targets) added to the pyramid and the existing conceptual targets and/or advanced prospects can either be moved up or removed from the pyramid depending on the new results.

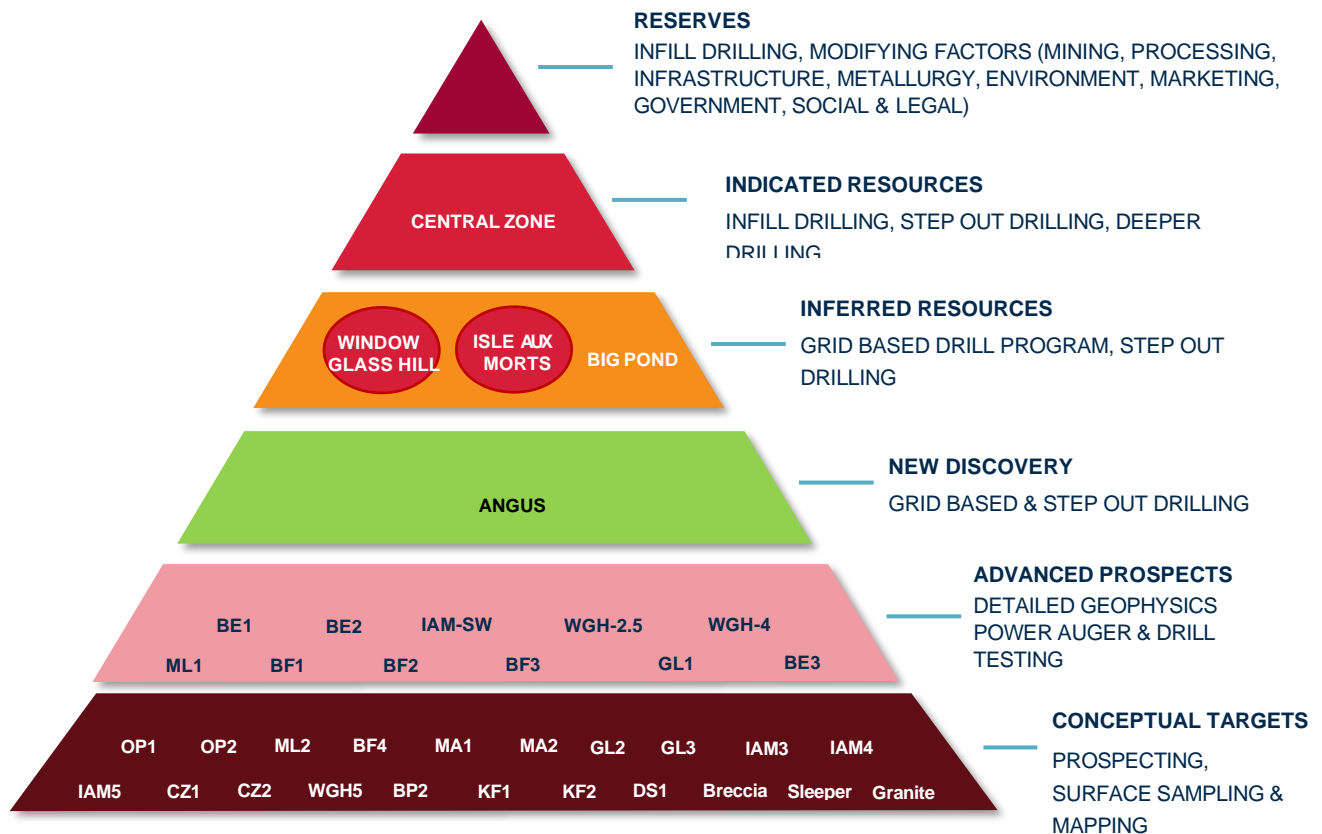


Figure 5: Current exploration pyramid – the aim is to move targets/prospects up, or out, based on exploration results

Increase in Newfoundland Landholding to 750km²

Following a major review of prospective ground around the Company's Cape Ray Gold Project and other prospective gold regions across Newfoundland, the Company expanded its landholding across Newfoundland to 750km².

In addition to two new blocks covering prospective ground to the west of the Cape Ray Gold Project, the Company acquired the Hermitage Project located to the east of the Project, covering 27 kilometres of continuous strike (150km²) on the Hermitage Flexure, a splay off the main Cape Ray Shear Zone ("CRSZ"). The location of the Company's landholding is shown in Figure 6.

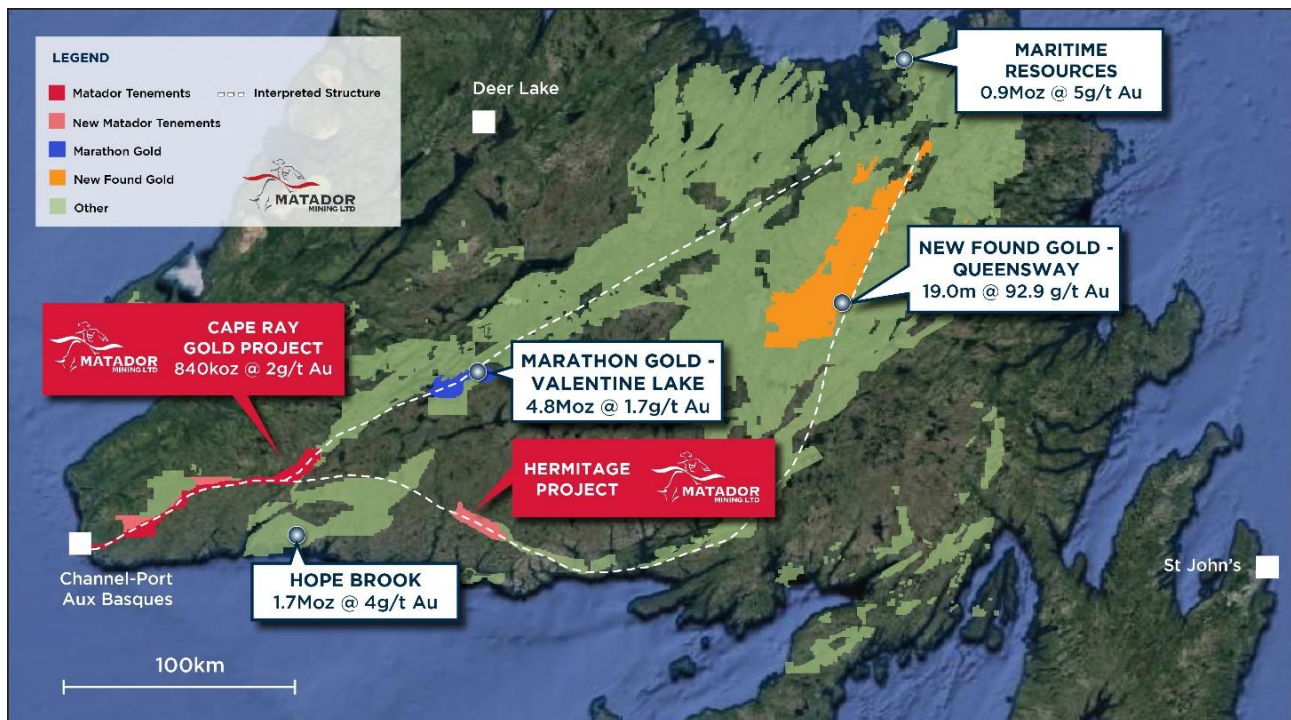


Figure 6: Matador's landholding across Newfoundland

Expansion of the Cape Ray Gold Project Area

Two blocks totaling an area of 127km² and situated adjacent to the Cape Ray Gold Project were pegged during the June 2021 Quarter, the first of which is towards the north-west of the Central Zone and the WGH deposits. This area hosts a major structure parallel to the CRSZ and major cross structures, with gold pathfinder anomalism in historic surface samples. Given the close proximity of this area to the current work program, the Company anticipates completing a heli-magnetic survey and initial multi-element geochemistry in this area during the 2021 exploration program.

The second block is located north of the Malachite Lake prospect, where a north-east trending splay off the CRSZ (where a flexure causes the main CRSZ to turn towards the east) has been identified. Heli-magnetics will be flown over this region in the coming months, with initial geochemistry likely to be completed during 2022.

Heritage Project

The Heritage Project is the first regional target identified by the Company off the main CRSZ. The Company identified a number of geological ingredients in this region as being prospective for gold exploration and the general historical exploration neglect. Matador aims to continually review the regional exploration prospectivity to identify areas which can enhance the project pipeline with new high-quality prospects.

The Heritage Project covers approximately 27 kilometres of continuous strike along the Heritage Flexure, a large crustal scale structure which is a splay off the main CRSZ. The main splay continues to the north and hosts the Cape Ray Gold Project as well as Marathon Gold's (TSX.MOZ) Valentine Lake Project (4.8 million oz Au). The second splay continues to the east and hosts Matador's newly acquired Heritage Project before curving to the north into New Found Gold's (TSXV.NFG) newly discovered high-grade Queensway Project.

Previous gold exploration in the area was conducted by Teck, Falconbridge and INCO in the late 1980s. This included geochemical analysis that defined a large area of anomalous gold, arsenic and antimony. The ground was subsequently dropped in the late 1980s until the early 2000s when high-resolution airborne magnetics, electro-magnetics and radiometrics were flown over the area. The Company is compiling all historical data on the Hermitage Project as the basis for target generation prior to commencing an exploration program.

Corporate

Cash

As at 30 June 2021, the Company had a cash balance of approximately \$22 million. Refer to the attached Appendix 5B Cashflow Report for further information.

\$16 Million Capital Raising at a 28% Premium

The Company raised proceeds of \$16 million (before costs) from the placement of 28.5 million shares at a price of \$0.56 per share ("**Placement Shares**"), which represents:

- A 28% premium to the last closing price of Matador shares on 24 June 2021 of \$0.44 per share; and
- An 18% premium to the 10-day volume weighted average price of Matador shares to 24 June 2021 of \$0.48 per share.

The Company was able to issue the Placement Shares at a premium, as they were issued under the Canadian flow-through share regimes, which provide tax incentives to eligible investors for expenditures that qualify as flow through mining expenditures under the Income Tax Act (Canada).

The Placement was cornerstoned by two major North American Institutional investors, Franklin Templeton and CI Financial, both of whom became substantial shareholders (>5%).

Listed on Multiple International Platforms to Increase Investor Awareness

Following numerous investor enquiries during the past year, the Company's shares were listed for trade on the Frankfurt Stock Exchange and USA OTC Markets during the June 2021 Quarter. Trading on both platforms has commenced and is aimed at increasing investor awareness of the Company in both North America and Europe and continuing the diversification of the Company's shareholder base.

The Company has been extremely pleased with the liquidity on these overseas exchanges, particularly on the OTC Markets, where volume in the Company's shares has averaged 250,000 shares per day since late May 2021.

The Company has increased its marketing effort to support trading on overseas platforms, which is expected to continue in the coming months, with attendance at physical roadshows in both regions, including the Beaver Creek Precious Metals Summit in Colorado, USA, during September 2021.

Strengthened Technical Expertise with the Appointment of Kerry Sparkes

During the June 2021 Quarter, the Company appointed renowned geologist Mr Kerry Sparkes as technical advisor to the Board. Mr Sparkes will provide high-level assistance to the Matador exploration team and advise the Board on its exploration and development strategy in Newfoundland, Canada.

Mr Sparkes resides in St John's, the capital of Newfoundland and has over 30 years of experience as a geologist. He is well respected throughout the resources sector for his global deposit knowledge and expertise, including Newfoundland and Labrador where he was responsible for the Ovoid discovery in the world class Voisey's Bay nickel deposit.

Share Capital

As at 30 June 2021, the Company had 209,777,601 ordinary fully paid shares on issue.

During the June 2021 Quarter, 5,582,500 unlisted options, exercisable at \$0.23 with an expiry date of 2 July 2022, were exercised for proceeds of \$1,283,975.

Appointment of CFO

During the June 2021 Quarter, the Company appointed Mr Christopher Bath as Chief Financial Officer.

Payments to Related Parties

During the June 2021 Quarter, the Company made payments to related parties of \$120,000, which related entirely to payments for directors' fees and the salary of the Executive Chairman.

Tenement Interests

The Company increased its tenement holding interests during the Quarter with the acquisition of three additional licences, as highlighted in Table 1 below.

Table 1. Tenement interests as at 30 June 2021

Licence	Holder	Location
025560M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
025855M	Cape Ray Mining Limited	Cape Ray, Southern NL
025856M	Cape Ray Mining Limited	Cape Ray, Southern NL
025857M	Cape Ray Mining Limited	Cape Ray, Southern NL
025858M	Cape Ray Mining Limited	Cape Ray, Southern NL
026125M	Cape Ray Mining Limited	Garia Brook, Southern NL
030881M	Cape Ray Mining Limited	La Poile River, Southern NL
030884M	Cape Ray Mining Limited	La Poile River, Southern NL
030889M	Cape Ray Mining Limited	La Poile River, Southern NL
030890M	Cape Ray Mining Limited	La Poile River, Southern NL
030893M	Cape Ray Mining Limited	La Poile River, Southern NL
030996M	Cape Ray Mining Limited	Grand Bay River, Southern NL
030997M	Cape Ray Mining Limited	Grand Bay River, Southern NL
031557M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
031558M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
031559M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
031562M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
032060M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
032061M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
032062M	Cape Ray Mining Limited	Isle Aux Morts, Southern NL
032764M	Matador Canada Pty Ltd.	Hermitage, Southern NL
032770M	Matador Canada Pty Ltd.	Hermitage, Southern NL
032818M	Matador Canada Pty Ltd.	Hermitage, Southern NL
032940M	Matador Canada Pty Ltd.	Isle Aux Morts, Southern NL
032941M	Matador Canada Pty Ltd.	Isle Aux Morts, Southern NL
033080M	Matador Canada Pty Ltd.	La Poile River, Southern NL
033083M	Matador Canada Pty Ltd.	Isle Aux Morts, Southern NL
033085M	Matador Canada Pty Ltd.	Isle Aux Morts, Southern NL
033110M	Matador Canada Pty Ltd.	Hermitage, Southern NL

Reference to Previous ASX Announcements

In relation to the exploration results included in this announcement, the dates of which are referenced, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

In relation to the Mineral Resource estimate announced on 6 May 2020 (see Table 2), Matador confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 6 May 2020 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In relation to the results of the Scoping Study which were announced on 6 May 2020, Matador confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.

Table 2. Mineral Resource Estimate – May 2020

Cape Ray Gold Project Summary Mineral Resource																	
Deposit	Cut-off	RL	Indicated					Inferred					Total				
			Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Au (Koz)	Contained Ag (Koz)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Au (Koz)	Contained Ag (Koz)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Au (Koz)	Contained Ag (Koz)
Z4/41	0.5	>100mRL	2.1	2.83	8	191	545	1.3	1.48	6	61	236	3.4	2.32	7	252	781
	2	<100mRL	0.2	3.10	11	23	77	0.2	2.90	9	17	56	0.4	3.01	10	40	133
Z51	0.5	>200mRL	0.8	4.25	9	103	211	0.0	1.43	5	1	3	0.8	4.18	9	104	214
	2	<200mRL	0.2	4.41	11	32	77	0.1	2.59	3	12	15	0.4	3.71	8	43	92
HZ	0.5	All	0.2	1.11	1	8	8	0.0	0.90	1	0	0	0.2	1.11	1	8	8
PW	0.25	All	-	-	-	-	-	2.2	1.12	4	80	257	2.2	1.12	4	80	257
IAM	0.5	All	-	-	-	-	-	0.8	2.39	2	60	60	0.8	2.39	2	60	60
Big Pond	0.25	All	-	-	-	-	-	0.1	5.30	3	19	12	0.1	5.30	3	19	12
WGH	0.5	All	-	-	-	-	-	4.7	1.55	10	232	1,455	4.7	1.55	10	232	1,455
	Total		3.5	3.15	8	356	918	9.4	1.60	7	481	2,094	12.9	2.02	7	837	3,012

Note: Figures have been rounded and rounding errors may apply. Contained metal figures do not take metallurgical recovery into account. Reported cut-offs from Zones 51, 4/41 cover both open-pit resources scenario (0.5g/t Au cut off) and underground scenario (2g/t Au cut off). 2020 resource updates for Zones 4/41, 51, WGH and PW use 2.8t/m³ density.

- All Mineral Resources are completed in accordance with the JORC Code 2012 Edition.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Cut-off grade assumptions approximately reflect a US \$1,550 per ounce gold price as per the Cape Ray Scoping Study.
- Open Pit Mineral Resources are reported at various cut-off grades to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 - 0.50 g/t Au cut-off above 100mRL; Z51 - 0.5 g/t Au cut-off above 200mRL; HZ, IAM and WGH all reported at 0.5 g/t Au cut-off with no constraint; Big Pond and PW reported at 0.25 g/t Au cut-off with no constraint.
- Underground Mineral Resources are reported at a 2.0 g/t Au cut-off grade to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 - 2.0 g/t Au cut-off below 100mRL; Z51 - 2.0 g/t Au cut-off below 200mRL.

This Quarterly Activities Report has been authorised for release by the Company's Board of Directors.

To learn more about the Company, please visit www.matadormining.com.au, or contact:

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About the Company

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) is a gold exploration company with tenure covering 120 kilometres of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. The Company released a Scoping Study which outlined an initial potential seven-year mine life, with a forecast strong IRR (51% post Tax), rapid payback (1.75 year) and LOM AISC of US\$776/oz Au (ASX announcement 6 May 2020). The Company is currently undertaking the largest exploration program carried out at Cape Ray, with upwards of 45,000 metres of diamond drilling planned, targeting brownfield expansion and greenfields exploration. Matador acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.

